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NORTH KOREA PROBLEM:

1) U.S. Secretary of State mentions studying re-listing DPRK as state sponsor of terrorism $\,$

ASAHI (Page 1) (Full) June 8, 2009

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Yusuke Murayama, Washington

During an interview on ABC TV in the U.S. on June 7, Secretary of State Hillary Clinton disclosed that the U.S. has begun studying the re-inclusion of North Korea, which has conducted its second nuclear test, in the list of state sponsors of terrorism. The DPRK was removed from the list by the former Bush administration last October as a means to push forward the denuclearization process through the Six-Party Talks.

Clinton emphasized the change in the situation in the interview. She said: "North Korea's action is obstructing the (original) purpose of delisting." She said that, "We have begun a study" on re-listing "and would like to investigate recent evidence of North Korea's support for international terrorism." However, with regard to proof of such activities, she said: "I do not have the answer at this point."

Clinton also commented on the sanction resolution against North Korea which is currently in a critical stage of debate at the UN Security Council. She said, "I think we will be able to impose additional sanctions, such as an arms embargo, with the full support of China and Russia," and stressed, "If we do not take significant and effective action now, the situation will spur the arms race in Northeast Asia." Regarding the recent prosecution of the two detained female American reporters by North Korea, Clinton asserted that: "There is no advantage for them or basis for the trial. We hope they finish the trial at an early date and return them home." She indicated there is no intention to make a political deal with the DPRK.

There is also growing criticism of North Korea in the United States. Eight opposition Republican members of Congress recently sent a letter to Clinton demanding the re-listing of the DRPK as a "state sponsor of terrorism." Since the legal procedures for re-listing will require evidence of supporting terrorism, it is uncertain whether this can be done immediately. However, Clinton's remarks are seen as a strong warning to North Korea, which has been escalating its provocative behavior.

2) U.S. shifting to "pressure" by considering re-listing DPRK as terror sponsor for use as negotiating card

NIKKEI (page 7) (Full) June 8, 2009

Hiroshi Maruya, Washington

U.S. Secretary of State Hillary Clinton's statement on considering re-listing North Korea as a state sponsor of terrorism is an indication that the Obama administration is shifting toward "pressure" in its policy of "dialogue and pressure." This is because of the United States' concern that if North Korea, which has taken provocative actions repeatedly by conducting another nuclear test and firing missiles, is not dealt with, this may not only undermine the effectiveness of the President Barack Obama's vision for a "world without nuclear weapons," but may also trigger an arms race in Asia.

The U.S. government is also moving toward stricter financial sanctions. Re-listing North Korea as a terrorism sponsor will be

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part of its own policies to reinforce sanctions. Obama also stated in France that, "We do not intend to continue a policy of rewarding provocation." Nuclear proliferation is not only a concern for the U.S. but also for the other nuclear powers, such as Russia and China. It is believed that Obama has judged that it is necessary to take a tougher stance, otherwise the wrong message may be sent to Iran and terrorist organizations.

However, Clinton also said that with regard to the required evidence for re-listing the DPRK as terrorism sponsor, "We do not have the answer at this point." Re-listing will also be the strongest card in negotiations with the DPRK. The U.S. is poised to make a final decision based on developments in the North Korean regime and its future moves.

3) Government welcomes agreement on draft UNSC resolution against North Korea

YOMIURI (Page 2) (Full) Evening, June 6, 2009

The government has welcomed an agreement reached on basic points in a draft sanction resolution against North Korea adopted at the UN Security Council. An official said: "The international community has finally lined up in agreement."

A senior Foreign Ministry official said that whether the resolution will work effectively depends on how earnestly China, which has close economic ties with the North, will move based on the resolution. The government intends to call on China to fully implement the sanctions during a bilateral foreign ministerial set for June 7 in Tokyo and on other occasions.

Once the UNSC formally adopts the resolution, it will inevitably elicit an angry reaction from North Korea. The DPRK could take radical actions such as launching a ballistic missile. In preparations for an unexpected event, the government intends to tighten security by the Self-Defense Force and others.

Regarding the controversial issue of cargo inspections onboard ships, all UN member countries are now likely to be subject to this obligation. Focusing on attached conditions such as required approval from a ship's country of origin, a senior government official commented: "Unless an inspection is forcibly carried out, there probably will be no problem."

The Ship Inspection Operations Law authorizes the Maritime Self-Defense Force and the Japan Coast Guard to carry out cargo inspections during a recognized regional contingency under which Japan's peace and security might be seriously affected. But "it is difficult to recognize the current situation as a regional contingency."

In discussions on a draft resolution, Japan, in line with the U.S., called for including mandatory cargo inspection in the resolution. If the UN formally adopts the resolution, Japan will have to conduct

cargo inspections. To that end, new legislation or amendments to the relevant domestic laws might become necessary.

4) UN draft resolution does not refer to "abduction," "ban on bank transactions"

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YOMIURI (Top Play) (Full) June 6, 2009

Yoshikazu Shirakawa, New York

The five UN Security Council members, Japan, and South Korea basically agreed on an additional sanction resolution against North Korea's second nuclear test. Japan and the U.S. included in their proposal a measure to ban transactions with two North Korean banks, but this measure was not included. The proposal by Japan and the U.S. also referred to the issue of past abductions by North Korea of Japanese nationals, but this part was also dropped, probably due to demand by China.

The Japan-U.S. proposal included a provision to mandate a ban on keeping transaction accounts with two North Korean banks. The two banks are suspected of being used for payments for transactions related to nuclear weapons and missiles with foreign countries. By introducing the measure, Japan and the U.S. aimed to block the movement of funds.

However, remembering North Korea's fierce reaction to the financial sanction measure taken by the previous U.S. Bush administration and fearing possible reckless act by the North, China appears to have sought elimination of the provision that would ban transactions. A decision has been made for Japan, the U.S., and other individual countries to tighten sanctions against specific North Korean banks.

Meanwhile, in the preamble of the Japan-U.S. proposal, there is a provision noting: "We emphasize again the need for North Korea to deal with pending issues related to security and humanity in the international community, including the abduction issue." But the part "including the abduction issue" was erased in the draft resolution by the seven countries.

In the process of drafting Resolution 1718 following North Korea's nuclear test in 2006, although Japan had also called for the abduction issue to be mentioned then, the issue was not included in the resolution. The Japanese government intends to emphasize that the abduction issue is included in "issues related to humanity."

5) UN Secretary General Ban calls for solidarity of UNSC on North Korea issue $\,$

NIKKEI (Page 2) (Full) June 6, 2009

Prime Minister Taro Aso held on June 5 a telephone conversation with United Nations Secretary General Ban Ki Moon. Referring in it to North Korea's nuclear test, Ban emphasized: "It is important for the UN Security Council members to take a concerted action." He revealed his perception that the issue is not just related to North Korea, but to the international community, which has called for nuclear disarmament and nuclear nonproliferation. Aso sought Kim's understanding for Japan's call for a new UN resolution including additional sanctions. He said: "We cannot tolerate North Korea's having conducted another nuclear test."

6) Japanese, Chinese foreign ministers remain divided over a UN resolution against North Korea, with China still calling for caution

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Foreign Minister Hirofumi Nakasone met his Chinese counterpart Yang Jiechi in Tokyo yesterday to discuss a UN Security Council (UNSC) resolution condemning North Korea's nuclear test. In response to Nakasone's call for a tough resolution, however, China indicated a cautious view, so they went no further than just agreeing to continue coordination at the UNSC.

Nakasone said: "The UNSC must adopt a strong resolution that will make North Korea understand that we cannot tolerate its nuclear test. Otherwise, the UNSC's authority will be hurt."

In response, Yang called for "an appropriate and balanced resolution," emphasizing: "We are firmly against North Korea's testing and possession of nuclear weapons, but it is also very important to maintain peace and stability in Northeast Asia."

In reference to the development of gas fields in the East China Sea, on which the two countries have agreed to jointly develop, Nakasone stressed the need to initiate negotiations for concluding a pact at an early date, remarking: "No progress has been made although one year has already passed since both reached the agreement." But Yang just replied: "We would like to continue working-level talks."

With respect to the Japan-China human rights dialogue, which resumed last July after a lapse of eight years, Nakasone and Yang agreed on a plan to hold its next session in Tokyo in early July.

7) DPJ's Hatoyama, South Korean president share view that Japan, U.S., ROK need to cooperate to call for China's cooperation for UNSC sanction resolution against North Korea

NIKKEI (Page 2) (Full) June 6, 2009

Kimihiko Takahata, Seoul

Democratic Party of Japan (DPJ) President Yukio Hatoyama met on June 5 in Seoul with South Korean President Lee Myung Bak at the Blue House (presidential office) for about one hour. In the meeting, Hatoyama and Lee shared the view that it is important for Japan, the United States and the Republic of Korea (ROK) to cooperate in asking for China's cooperation for adopting a UN Security Council resolution over North Korea's recent nuclear test.

Hatoyama emphasized: "It is important how South Korea and Japan under cooperation of the United States will persuade China." Lee said: "If Japan, the United States and South Korea cooperate firmly, China will probably move forward toward that direction."

Referring to the suspended talks on an economic partnership agreement (EPA) between the governments of Japan and South Korea, Hatoyama called on Lee for an early conclusion in order also for bringing about an "East Asia Community." Lee responded, saying: "I am not against such. If confidence in politics between the two countries heightens, the problems will be dissolved."

Regarding views of history, Hatoyama said:

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- "I have the courage to look squarely at the past. There is the tendency in part of (Japanese circles) to glorify Japan's act of aggression and colonial rule of the Korean Peninsula. I, however, do not take such a position."
- 8) DPJ head Hatoyama plays up political presence as next prime minister in meeting with ROK president

NIKKEI (Page 2) (Full) June 6, 2009

Kimihiko Takahata, Seoul

"A change in government is needed for Japan to build foreign policy

placing priority on Asia," Democratic Party of Japan (DPJ) head Yukio Hatoyama told South Korean President Lee Myung Bak on June 5. During his talks with Lee, Hatoyama reiterated the words "a change in government," playing up his political identity as a candidate for Japan's next prime minister. Lee will visit Japan in late June to hold talks with Prime Minister Taro Aso. Hatoyama picked South Korea as the country for his first overseas trip out of a sense of rivalry with Aso.

The DPJ's foreign and security policy is different from that of the Social Democratic Party (SDP), which has indicated the intention to form a coalition with the DPJ in case they win the next House of Representatives general election. Asked by a reporter after his meeting with Lee about policy coordination with the SDP and other opposition parties, Hatoyama said: "How many seats we will secure is a significant factor. That will determine the way the coalition government's will be carried out."

DEFENSE AND SECURITY AFFAIRS:

9) Commandant's remarks on concerns about maintaining training level of U.S. Marines in Okinawa with Guam relocation create stir

MAINICHI (Page 3) (Full) June 7, 2009

Masaya Oikawa, Washington

U.S. Marine Corps commandant Gen James Conway's remarks regarding the "revision" of plans for realigning the Marines in Okinawa have created a stir. His statement is regarded as "an expression of the Marines' dissatisfaction with the decline in the training level entailed by the Guam relocation" (source on Japan-U.S. relations) in anticipation of the drafting of the Quadrennial Defense Review (QDR) next February.

Since Secretary of Defense Robert Gates has been talking about "taking the responsibility" for completing U.S. Forces Japan (USFJ) realignment by 2014, concerns have been raised about internal differences in the U.S.

At a subcommittee of the House of Representatives Appropriations Committee on May 6, Conway mentioned a "review" of the plan to relocate U.S. Marines in Okinawa to Guam due to the expected "substantial increase in the cost" In addition to the cost, he also talked about "problems relating to training and the capability of the facility replacing Futenma Air Station" at a hearing of the Senate Armed Services Committee on June 4 and said that "there are several proposals for revision worth considering."

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The Marines are most concerned about the decline in the training level. With the stationing of 8,000 more troops in Guam, training facilities will be inadequate and the number of times of training received per head will drop. Therefore, they have a number of "ideas" for dispersing training to areas around Guam. Moreover, there is lingering misgiving with insufficient length of the runways as a result of Futenma relocation.

Conway is in favor of Guam relocation per se. His remarks on "revising" the plan are mostly for the purpose of defending the Marines to make sure that the QDR is drafted in their favor.

According to a source related to the Department of Defense, Gen Jim Jones, the president's national security adviser, and Assistant Secretary of Defense Wallace Gregson, both former Marine officers, have recently reconfirmed the road map for completing USFJ realignment, including the Futenma relocation plan. Gates has called House member from Guam Madeleine Bordallo, who reacted strongly to the Conway's testimony, and told her "Guam relocation will take place as planned."

10) Gov't: No change in USFJ realignment plan

NIKKEI (Page 2) (Full) June 7, 2009 In a hearing before the Senate Armed Services Committee on June 4, U.S. Marine Corps Commandant Conway, who is the USMC's top commander, suggested the possibility of reviewing the plan to realign U.S. forces in Japan. The Japanese government has calmly reacted to his statement. "It does not mean a fundamental change in the agreement between Japan and the United States," a government source said. However, if the planned relocation of the U.S. military's Futenma base in Ginowan, Okinawa Prefecture, is able to be reviewed, the government may activate consultations with Okinawa Prefecture and the base-hosting municipalities there that have called for the relocation plan to be revised.

Prime Minister Taro Aso, when asked by reporters about the Conway statement on the evening of June 5, went no further than to say, "I don't know the details." Chief Cabinet Secretary Takeo Kawamura stressed in his press remarks that the government would not modify the realignment plan, saying, "Things are progressing along the agreed roadmap."

On the issue of relocating Futenma airfield, the government plans to relocate the base to a coastal area of Camp Schwab in the island prefecture's northern coastal city of Nago. Meanwhile, Okinawa has asked the government to revise this coastal relocation plan. The government has persuaded Okinawa, reasoning that the U.S. military will not accept any revisions to the plan. "Okinawa may now have strong expectations for revisions to the government plan," a senior official of the Foreign Ministry said.

11) DPJ to review bases: Okada

ASAHI (Page 2) (Full) June 7, 2009

Democratic Party of Japan (Minshuto) Secretary General Katsuya Okada has indicated that the DPJ, if it takes the reins of government,

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would like to hold consultations with the U.S. administration for a drastic review of the planned realignment of U.S. forces in Japan. "There are now that many U.S. military bases in Okinawa," Okada says in an interview carried in the July issue of Sekai magazine, adding: "I wonder if this is normal. We should discuss this matter from scratch. President Obama can do so, I think."

The DPJ, in its Okinawa vision released last year, advocated going over the bilateral agreement on U.S. force realignment plans, such as the planned relocation of Futenma airfield within Okinawa Prefecture. However, the DPJ has not referred to when. Okada is the one to coordinate the party's manifesto for the forthcoming House of Representatives election, so his remarks will likely have repercussions on the party's discussions on its campaign pledge.

In the interview, Okada touches on Futenma airfield. Okada says: "If Futenma airfield is relocated within Okinawa Prefecture, it will be fixed there. We should make the United States reconsider this matter." He also says, "We also should be prepared to accept it somewhere (in Japan)." With this, he suggests the need to screen specific candidate places, giving heed to relocating Futenma airfield elsewhere outside Okinawa Prefecture.

12) Japan, South Korea agree to provide information on pirates to fishing boats in waters off Somalia $\,$

TOKYO SHIMBUN (Top play) (Abridged slightly) June 6, 2009

The governments of Japan and South Korea reached an agreement on June 5 to launch an effort to formulate antipiracy measures for fishing boats, in addition to tankers and cargo vessels, which are operating in waters off Somalia and have been increasingly attacked by pirates. The two countries will ask other countries that have sent their naval vessels to waters off Somalia, such as the United States and China, to join the effort, a government source said.

The effort will be part of an agreement to strengthen antipiracy

measures, agreed in January this year between Prime Minister Taro Aso and South Korean President Lee Myung Bak. The two countries plan to make the proposal at a high-level meeting to be held in Seoul starting on June 9 by some 40 countries, including Japan, the United States, and South Korea, and international organizations, such as the International Maritime Organization (IMO). Attending from Japan are Parliamentary Vice-Minister for Foreign Affairs Yasutoshi Nishimura and representatives of bonito and tuna fisheries cooperatives.

The two countries are specifically considering a system letting the IMO collect information on pirates possessed by countries that have dispatched naval vessels on antipiracy missions and provide that information to fishing boats via radio and fax. In turn, fishing boats are to notify the IMO the dates and locations they have spotted suspicions vessels that are believed to have carried pirates.

According to the Foreign Ministry, countries taking part in antipiracy missions have emphasized security activities in a key navigation zone connecting the Indian Ocean and the Red Sea, but the piracy-infested area has now expanded to include waters east of Africa outside of the Gulf of Aden that have plentiful stocks of tuna. As a result, Japanese, South Korean, Chinese and European

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fishing boats operating in the area are now at a greater risk of being attacked by pirates.

The government has dispatched Maritime Self-Defense Force vessels for escorting Japan-related vessels under a maritime policing provision under the Self-Defense Forces Law. Although there have been no reports on Japanese fishing boats being attacked by pirates, calls for antipiracy measures for fishing boats have been growing at home and abroad following attacks on Chinese and Taiwanese boats.

13) Japan to propose use of Internet to provide piracy information to military and civilians

YOMIURI (Page 2) (Full) June 7, 2009

The government has firmed up its policy intention of starting to build a system for sharing with the military and civilian sectors of each country through the Internet information of pirates threatening ships in the waters off Somalia in Africa. Parliamentary Vice Minister for Foreign Affairs Yasutoshi will propose this at an international conference on the piracy problem to be held in Seoul on June 9.

Currently, there is voluntary sharing of Somalian piracy information among the military forces operating in the waters. The information for commercial vessels is collected by such organizations as IMB, the International Maritime Bureau, and then provided to the ships. The information for the military and commercial vessels centers on important sea routes that traverse the Suez Canal and the Gulf of Aden.

On the other hand, to the east off Somalia lie fertile fishing grounds for tuna and bonito, and there are many fishing vessels from such countries as Japan, China, South Korea and Spain operating there. However, there is no set up for collecting information that fishing vessels can obtain. For that reason, the Japanese government has decided to work out a system that would: 1) take the information received from fishing vessels by wireless and e-mails and collect it for the International Maritime Organization (IMO); and 2) post information on the Internet that could be shared with the military, commercial ships, and fishing vessels.

In creating such an information net, it not only would prevent fishing vessels from the piracy danger, it also would be able to grasp the activities of pirates over a broad area from the Gulf of Aden to the area off to the east of Somalia.

14) Defense Ministry to give up on including FX fighter cost in its FY2010 budgetary request

YOMIURI (Page 2) (Abridged slightly) June 7, 2009

The Defense Ministry has decided not to include the cost of purchasing the next-generation mainstay fighter jet (FX) for the Air Self-Defense Force (ASDF) in its budgetary request for fiscal 2010. The ministry said it was unable to obtain sufficient information on two state-of-the-art stealth fighters, or fifth-generation aircraft, from among six short-listed models, concluding that further study is necessary before purchasing. The ministry's decision might further delay the introduction of FX fighters.

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The FX fighters will replace aging F-4 fighters that are becoming outdated. The ministry aims to establish two wings, including auxiliary aircraft, which will comprise about 50 FX fighters. The government had planned to conclude a contract to buy seven aircraft during the current (FY2005-2009) Midterm Defense Buildup Program, but due to its inability to determined the most suitable model, it will now likely to postpone its purchase plan until the next five-year defense buildup program, which starts in fiscal 2010.

Analysts say that a failure to include the purchasing cost in the ministry's budgetary request for fiscal 2010 and a delay in the introduction of the FX as result might result in a decline in the country's air defense capabilities.

The fifth-generation aircraft include the U.S.-made F-22 Raptor fighter and the F-35 fighter jointly developed by the United States and Britain.

Many within the ASDF are keen to adopt the Raptor, but the ministry is unable to obtain details on the model due to a U.S. Congress embargo established to prevent technological information leaks. As the ministry is still comparing the six different models, it is difficult to decide on a specific aircraft before the ministry makes a budgetary request.

In the request, it is possible for the ministry to include the cost of purchasing jet fighters without specifying a model. However, a senior ministry official said: "The ministry will have to decide on a model before the government begins working out next year's budget at the end of the year. If (the United States) does not remove its information embargo on the F-22, the ministry will have to pick a model from among the remaining models." From a standpoint of putting high priority on obtaining F-22s, the ministry says it cannot help but to give up on including the purchasing cost in its budgetary request.

It is said that after signing a purchase contract, it takes about five years for the nation to obtain the FX fighters. The ministry plans to extend the life of its F-14 fighters by cutting their use.

OPINION POLLS:

15) Poll: Cabinet support remains flat at 29.5%

YOMIURI (Page 1) (Abridged) June 8, 2009

The Yomiuri Shimbun conducted a telephone-based nationwide public opinion survey on June 5-7, in which the rate of public support for the Aso cabinet was 29.5% with the nonsupport rate at 61.0%. In the last survey taken May 16-17, the support rate was 30.0% and the nonsupport rate was 60.4%. Respondents were also asked to choose whether Prime Minister Aso or Democratic Party of Japan (Minshuto) President Hatoyama is more appropriate for prime minister. In this popularity ranking, Hatoyama scored 44% (42% in the last survey), with Aso at 33% (32% in the last survey).

In the breakdown of public support for political parties, the ruling Liberal Democratic Party stood at 28.5% (28.4% in the last survey), with the DPJ at 27.7% (30.8% in the last survey). However, the DPJ exceeded the LDP in the public's preference for political parties

for proportional representation in the next election for the House of Representatives. In this category, the DPJ was at 39% (41% in the last survey), and the LDP at 29% (27% in the last survey).

16) Poll: 32% to vote for DPJ in Tokyo election, 20% for LDP

TOKYO SHIMBUN (Top play) (Abridged) June 8, 2009

The July 12 election for the Tokyo Metropolitan Assembly is expected to foretell the outcome of the next election for the House of Representatives. With the metropolitan election ahead, the Tokyo Shimbun conducted a public opinion survey in Tokyo on June 5-7 to probe public trends. In the public's choice of which political party to vote for, the Democratic Party of Japan (Minshuto), which holds the second largest number of seats in the metropolitan assembly, was far ahead of the Liberal Democratic Party, which has the largest number of seats in the assembly, by a margin of 12.2 points. The DPJ rose 11.1 points compared with a previous survey conducted before the last metropolitan assembly election took place in 2005. Meanwhile, nearly 70% of the respondents were undecided.

The survey was conducted over the telephone, with its respondents chosen from among Tokyo's voting population. Answers were obtained from 1,514 persons.

Respondents were asked if they would go to the polls. In response to this question, those who will go to the polls for sure and those who will probably do so totaled 83.3%. The figure is up from 76.3% in the last survey. However, the actual voter turnout in the last metropolitan assembly election was 43.99%, the second lowest level ever.

Those who have already decided on which candidate to vote for, including those who have generally decided, accounted for 31.3%. Those who answered "not yet decided" (67.7%) and those who answered "don't know" (1%) were also asked which political party's candidate they would vote for if they were to vote now.

In this public preference, the DPJ scored 32.5%, with the LDP at 20.3% and the New Komeito at 7.9%. The DPJ, which is an opposition party in the metropolitan assembly, was above the total figure for the LDP and the New Komeito as the ruling parties for Tokyo Gov. Shintaro Ishihara. Among other political parties, the Japanese Communist Party was at 4.9%, the Social Democratic Party at 1.3%, and the Seikatsusha Net at 1.1%. Independents were at 6.4%.

In the breakdown of public support for political parties as well, the DPJ marked 21.2%, with the LDP at 19.3%. The New Komeito was at 7.3%, the JCP at 3.8%, the SDP at 0.8%, and the Seikatsusha Net at 0.7%. "None" accounted for 44.1%.

17) High-level economic dialogue: Japan, China agree to promote cooperation in broader areas, including protection of intellectual property rights, trade

NIKKEI (Page 1) (Full) June 8, 2009

Tokyo and Beijing on June 7 held a high-level economic dialogue of cabinet ministers. Participants agreed to promote cooperation in broader areas, including protection of intellectual property rights

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and investment. They also agreed to set up a government-to-government consultative body designed to promote measures against copied products and aim to reach an early settlement of multilateral trade liberalization talks (Doha Round) at the World Trade Organization (WTO). Japanese participants expressed concern about China's plan to introduce the China Compulsory Certification (CCC) system for the disclosure of technical information on information technology (IT) products.

However, no progress was achieved.

Foreign Minister Hirofumi Nakasone, who served as the chairman of the Japanese side, during a joint press conference held after the meeting pointed out, "Japan-China economic relations will increasingly fulfill an important role in the region and the international community." Vice Premier Wang Qishan, chairman of the Chinese side, said, "I want to promote bilateral economic and trade cooperation by properly setting the direction of our mutually beneficial strategic relationship." They agreed to hold the next round of the dialogue in China in 2010.

The Japanese side expressed concern over protection of intellectual property rights, citing that an estimate of damage caused to Japan by copied products made in China tops 9 trillion yen. The two countries exchanged memorandums, which include plans to establish of a government-to-government consultative body as a setting to discuss the implementation of laws concerning copied products and intellectual property rights. Bureau director-level officials of the Ministry of Economy, Trade and Industry and the Chinese Ministry of Commerce will participate in the envisaged forum, and it will be held once a year.

China plans to implement the compulsory disclosure of information technology of IT products to be procured by its government, starting on May 2010. Although the Japanese side asked China to take a second look at the introduction of such a plan, the Chinese side made no definite response.

As a measure to stem the slowdown of the global economy, participants agreed that the governments of both countries will steadily implement specific measures agreed upon at the summit meeting of 20 nations and areas (G-20 financial summit) held in London in April. In the environment and energy areas, an agreement was reached on promoting specific projects for energy conservation, water disposal, and industrial waste.

18) Prime minister to announce 7% cut in greenhouse gas emissions, compared with 1990 level

ASAHI (Page 1) (Full) June 7, 2009

The government has started final adjustments toward adopting a 7% cut in greenhouse gas emissions in comparison with the 1990 level (14% reduction, compared with the 2005 level) as Japan's mid-term goal to be achieved by 2020. He will highlight differences from goals of Europe and the U.S., by stressing that Japan will cut the targeted amount of emissions in net terms, based on domestic energy-conserving measures. The European Union (EU) and the U.S. will include emissions quotas obtained in return for technical and financial cooperation to other countries. Prime Minister Taro Aso will formally announce Japan's mid-term goal on June 10.

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The mid-term goal will serve as Japan's basic stance at international talks to discuss greenhouse gas emissions under a post-Kyoto framework starting in 2013. The talks will come to a climax later in the year. The mid-term goals of the EU and the U.S. are both 14% cuts in comparison with the 2005 level. Japan wants to have the upper hand in those talks, joined by emerging and developing countries, such as China and India, by coming up with the same reduction rate.

The goals of the EU and the U.S. presumably factor in emissions quotas obtained from other countries and forests absorbing carbon dioxide. Japan will make a public appeal that its goal is ambitious, as it excludes such factors. The prime minister is expected to announce that Japan can further raise its reduction rate, if its goal factors in emissions quotas gained from other countries and emissions absorbed by forests.

Meanwhile, emerging countries and developing countries are insisting that industrialized countries should cut emissions by 40% from the 1990 level. They will likely criticize Japan's mid-term goal as

insufficient. For this reason, the prime minister will announce Japan's stance of assisting other countries in their efforts to cut carbon dioxide emissions, using its high energy-saving technology and funds.

Concerning Japan's policy, the government's Mid-Term Goal Review Committee had released six options ranging from a 4% increase in comparison with the 1990 level(4% cut, compared with the 2005 level) to a 25% cut from the 1990 level (30% cut from the 2005 level). Business circles, which are seeking a lenient goal, and environment NGOs, which are calling for a major reduction rate, had been at odds. The prime minister is attaching special importance to business circles, which are to fulfill major responsibility for emissions cut. He will reach a final decision, after meeting with representatives of business circles and labor unions on the 8th.

ZUMWALT